



AOT in Action

TOURISM WORKS FOR ARIZONA!

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from the Director:

Good morning.

Last week, a most valued Arizona destination was damaged by severe flooding leading to its closure until further notice. The Supai Village, campground and surrounding trails leading to the Havasu Falls, located on the Havasupai Reservation, were damaged by flash floods. Because of this, the Havasupai Tribal Council has decided to close the area until the trails can be restored.

Because this particular area relies heavily on tourism dollars, it's vital that we support the Havasupai Tribe and their restoration efforts. I encourage you to help reestablish this amazing tourism asset so visitors can once again experience its beauty.

Our agency will be in contact with the Tribe to receive regular updates as they repair these trails, and we will relay those updates to you. For contact information to the Tribe, please read the news brief in the *AOT News Flash* section below.

In other news this week, members of the AOT staff have joined with other state tourism agencies in Florida for the Educational Seminar for Tourism Organizations (ESTO). This is the premier learning and knowledge-sharing forum for U.S. destination marketing professionals. More than 400 participants from state and territory tourism offices and destination marketing organizations across the nation come together at ESTO to discuss issues affecting destination marketing.

ESTO delivers a wealth of highly-targeted, actionable information that addresses the specific needs of our industry through dynamic breakout sessions including information on the latest in marketing technology, branding, and sustainability efforts. We'll be sure to pass on updates from the conference.

Have a great week.



Margie A. Emmermann
Director
Arizona Office of Tourism

AOT News Flash

Supai Village and Surrounding Areas Closed Until Further Notice

On Monday, August 18, the Havasupai Tribal Council, the governing body of the Havasupai Tribe declared a State of Emergency following the damaging flash flood on August 17. Due to unsafe conditions, the Havasupai Tribal Council officially closed Supai Village and surrounding trails to all visitors until further notice. The Havasupai Tribal Council is requesting financial, technical and supplies assistance. For more information on how to assist the Havasupai Tribal Council and general updates, please visit the Havasupai Tribe Official Website: <http://www.havasupai-nsn.gov/08172008flood.html>.

AOT Joins Governor's Delegation to Border Governor's Conference

Governor Janet Napolitano led an Arizona delegation to the 26th Annual Border Governor's Conference (BGC) in Los Angeles, California, August 13-15. Tourism was the focal point of discussion. AOT was honored to be part of this group and joined several representatives from California, New Mexico, Texas, Baja California, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas and Sonora at the Tourism Work Table of the conference to discuss vital border-state issues affecting tourism. This region makes up the world's third largest economy.

Homeland Security Secretary Michael Chertoff spoke at the tourism work table and emphasized strengthening relationships between the U.S. and Mexico, improving efficiency at the border while enhancing security, and increasing infrastructure and personnel at ports of entry. Chertoff also agreed to a public awareness campaign for the Western Hemisphere Travel Initiative, which will be fully implemented in June 2009.

AOT thanks California Governor Arnold Schwarzenegger for hosting a great conference and the agency looks forward to next year's event in Nuevo Leon.

Tourism Sustainability Council Holds First Meeting

The Tourism Sustainability Council (TSC) held its first meeting on Wednesday, August 20. The 17-member council is comprised of business, education, tourism, water and land conservation and public leaders who represent some of the best thinking in the area of sustainability.

Tourists are becoming more knowledgeable about green hotels and restaurants and destinations face more pressure to become sustainable. In a competitive environment where sustainable practices may become a regulatory fact of life, AOT convened the TSC to discuss these issues and engage the Council in a dialogue on the best sustainable practices in their industries and how to educate the tourism industry on these practices in the future.

The Council will guide the tourism industry in Arizona and create an implementation plan to educate our state on responsible stewardship of our destinations and environment in order to preserve our treasured destinations for years to come.

Sustainable tourism sustains the environment, culture and heritage of a region while at the same time responsibly promoting economic growth and social well-being through tourism. For more information, contact Laura French at 602-364-3720 or via e-mail at lfrench@azot.gov.

AOT Needs Calendar of Events

AOT is requesting information to be considered for the calendar of events posted at www.ArizonaGuide.com. The calendar is currently updated with events through November 2008, and will soon be adding 2009 information. Events to be considered must be open to the public and of interest to participants or spectators from neighboring communities across Arizona or from out of state. Submissions should include the date, including the year; community in which the event takes place, name of event; venue; venue address; description; admission price, event time; phone number and/or Web site for the public to obtain additional information. Please include your contact information so that we may reach you with any questions we may have prior to posting your event. Photography is encouraged, (images should be a minimum of 300 DPI at 4"x5" original size) and we can supply you with an image information form. Additional events through November 2008 may also be submitted immediately if the event is not posted. Please check the Web site to see if your event is already included. If you have questions or would like an event submission form, please contact Marjorie Magnusson at 602-364-3695, by fax at 602-364-3702 or via e-mail at Mmagnusson@azot.gov.

Industry News

Flagstaff Reorganizes CVB Structure

The Flagstaff City Council approved a new city organizational structure, creating an Economic Vitality Division which includes the Flagstaff Convention and Visitors Bureau, Flagstaff Pulliam Airport and Community Investment.

Stacey Button has been promoted from CVB Director to the newly established Economic Vitality Director. Flagstaff City Manager Kevin Burke understands the importance of tourism to the city's financial viability, and therefore selected a candidate who can help sustain Flagstaff's economic growth. Stacey's new position will include not only coordination of the tourism sector through the CVB, but also Flagstaff Pulliam Airport operations, as well as business attraction, retention and Brownfields redevelopment.

During the transition into the new city structure, Heather Ainardi has been appointed as the Acting CVB Director in order to continue smooth operation and growth of Flagstaff tourism. Heather is currently the Public Relations Manager and Film Commissioner for Flagstaff and will continue these roles during the transition.

If you have any questions regarding the Flagstaff CVB and these recent changes, please contact Stacey Button at 928-779-7613, sbutton@ci.flagstaff.az.us or Heather Ainardi at 928-779-7645, hainardi@ci.flagstaff.az.us.

TIA to Urge Candidates to Focus on Travel Issues

The Travel Industry Association next week plans to launch a new advertising and public awareness campaign designed to get voters, and the presidential candidates, to tune in to travel-

related issues. At a press conference in Washington Thursday, TIA President Roger Dow and media consultant Mike Murphy said full-page newspaper ads will appear in the tourism hot spots of Las Vegas and Orlando during both political conventions, challenging the candidates to address such issues as air travel delays, airport hassles and tourism promotion.

The ads will include a report card that allows voters to grade the candidates on what they say about tourism. Full-page ads will appear Sunday, Monday and Thursday, timed for the Democratic convention next week. The sequence will be repeated during the Republican convention the following week. Orlando and Las Vegas were chosen for the ad campaign to target voters in key battleground states where tourism is important. The effort will be supported by a Web campaign. Details at 202-408-2183. (www.TravelWeekly.com; *Special to TA*)

USTOA Endorses NTA Call for Executive Travel Office

The U.S. Tour Operators Association board of directors this week endorsed the National Tour Association's lobbying effort to create an executive office of travel and tourism in the U.S. "Because of the presidential election this year, NTA and its allied associations are working to emphasize the importance of travel and tourism to the candidates," said NTA Chairman and CEO Bob Hoelscher. "By working together, we will bring a strong voice for tourism to intergovernmental issues while demonstrating a commitment to safe and secure travel," he said. The NTA has long lobbied that an executive office of travel and tourism would provide a much-needed voice for the tourism industry at government level. (www.TravelWeekly.com, 8/20)

The Habits, Preferences of "Next Generation" Travelers

A new survey co-authored by Ypartnership and PhoCusWright looks at how emerging technology has re-shaped the attitudes and behavior of contemporary travelers. The NEXTGen Traveler Survey of 2,559 adults, conducted in March, finds that "next generation" travelers are highly educated, affluent and are equally likely to be Echo Boomers (1-28 years old) as Baby Boomers (43-61 years of age), thereby debunking the believe that usage of new technology is concentrated among younger travelers.

The survey found that 75 percent would travel more if they had more money; 62 percent would travel more if they had more time, and spend, on average, 50 percent more on travel services annually than their less tech-savvy counterparts. "It is clear that tech-savvy travelers display a significantly different market profile than those travelers who are less wired," said Philip C. Wolf, president and CEO of PhoCusWright. "Next generation" travelers rely heavily on the Internet when it comes to planning, purchasing and sharing information on travel experiences. Details at www.ypartnership.com or www.phocuswright.com. (www.ModernAgent.com, 8/21; *Special to TA*)

Hotel Customer Satisfaction Remains High

Some good news for hoteliers: despite the economic downturn, customer's satisfaction remains at near-record levels. At the same time, satisfaction with airline performance did not dip further. So reports the most recent results of the Market Matrix Hospitality Index for the second quarter of 2008. Customer satisfaction among all hotels is up (+1.0 to 82.7) compared to 2007. This is the highest score for the industry in nearly five years and close to the all time high score of 83 recorded in 2001, just before 9/11. The American Customer Satisfaction Index™ (ACSI) also reports improved customer satisfaction for hotels for 2008 with the industry reaching record high scores. "The increase in customer satisfaction with hotels is certainly good news and surprising given the current economic pressures to reduce staff and services," said Jonathan Barsky, Ph.D., vice president of research for Market Metrix. He added: "But in this economy hotels are focusing

more on their current customers. And with occupancy rates down 2.6 % in the first half of 2008, guest staffing ratios have remained stable.”

Other factors he cited that are helping to maintain or improve customer satisfaction:

- Recent investments in customer technology, facilities and new services.
- Expanded satisfaction measurement programs and pay-for-performance compensation.
- The growth of online customer reviews which help to manage guest expectations and deliver more pleasing hotel experiences.

For the first half of 2008, luxury hotels and mid-scale food & beverage hotels showed the most improvement. Luxury brands showing the biggest gains include Intercontinental (+ 3.3), Taj Hotels (+ 2.8), and Ritz-Carlton (+ 2.8). The most improved midscale facilities without food and beverage brands are Howard Johnson (+ 2.7), Ramada (+ 2.2), and Red Lion Hotels (+ 1.9). The only down-trending segment was Casinos with Flamingo Las Vegas (- 6.1), Excalibur Hotel & Casino (- 1.4), and Rio (- 0.8) posting the biggest declines. Customer satisfaction with airlines rebounded slightly (+.5 to 73.8) from last quarter’s all-time record low score. But due to higher fuel prices there is no real improvement in sight. (*Report by David Wilkening, TravelMole e-Newsletter*)

Drop in Oil Prices Helping Airlines

Conventional wisdom about airlines' survivability is changing rapidly, thanks in large measure to a \$30-plus drop in the price of a barrel of oil. Don't get too excited yet, says USA Today. Airlines' financial health is notoriously volatile. But a combination of factors could help most, maybe even all, of the nation's big airlines dodge the bankruptcy filings and liquidations so widely predicted only a few weeks ago. Over the last five months airlines have laid in deep capacity cuts, boosted fare prices by unprecedented amounts, and begun generating lots of revenue by charging fees for services that used to be included with the ticket price. And though most carriers still can't turn a profit at existing jet fuel prices, they're getting close to the break-even point. Another \$10 to \$15 drop in the price per barrel, which some oil experts now say is possible, will have most of them back in the black. (*Page 1B, USA Today*)